

mately 25 persons for minor acts of disorderliness, consisting of failure to turn in tickets on the rides, jumping railings to avoid giving tickets for the ride, and questioning the authority of the Burns' people. There were also instances where merchandise displayed on outside stands around places such as the gift shops and the popcorn stands, were taken by passing people.

The Washington Evening Star finally printed a related article on April 24 on page E6. That was on the sixth page of the fifth section of the Star.

At least six serious, felonious crimes were committed at Glen Echo that day. The Washington Post described them as minor disturbances and the Star failed to mention them.

This is an example of the type of slanted journalism practiced by Washington newspapers.

Last year, through the efforts of professional agitators, certain Government officials and others who refuse to recognize the existence of racial differences, Glen Echo was compelled to admit Negroes. Prior to that time, only white persons were admitted to the amusement park. Now, the park has become resegregated, inasmuch as most white persons no longer care to patronize this park because of the present intolerable conditions. According to the Montgomery police, 95 to 98 percent of the persons admitted to Glen Echo that day were Negro.

On the morning of April 15, two schoolbus loads of children from a southern State, who were visiting Washington, had to leave the park in the face of impending trouble. They had come to the Nation's Capital to enjoy its historical and cultural advantages but had to abandon their recreational pursuit in the face of the behavior of these young hoodlums, most of whom were Washington schoolchildren.

Because of the violence of Glen Echo and at the Washington Stadium, I would suggest that the management of those two enterprises adopt a strict segregation policy so as to protect white persons who wish to visit them.

I make this suggestion because so far desegregation in the National Capital has resulted in de facto segregation anyway. This means, of course, that white people are now denied the opportunity to attend recreational events in their own National Capital.

#### OUR POLICY ON CUBA

The SPEAKER pro tempore (Mr. LEBONATI). Under previous order of the House, the gentleman from New Jersey [Mr. WALLHAUSER] is recognized for 30 minutes.

Mr. WALLHAUSER. Mr. Speaker, the United States has been concerned with the problem of Cuba periodically throughout our history. We know that the concern now is greater than it has ever been as the threat of communism hangs heavy over all of our Western Hemisphere.

Because of its location and proximity, Cuba has been recognized as an import-

ant element in our strategic national security. The importance of it has increased with the development of military weapons, modes of transportation, and last—but not least—techniques in sabotage, subversion and the infiltration of the minds of the people.

We, as citizens of the United States of America, are concerned not only for our Nation, but also for all nations in the Western Hemisphere, as Cuba is a major threat to the entire hemisphere because of its binding ties with Soviet Russia. Yet, Mr. Speaker, in noting the apparent lack of interest and action by many nations in the hemisphere, I wonder if the nations to the south of us fully comprehend the situation and the threat to them and their people.

The question naturally arises what have we, as a nation, done through those agencies of government charged with carrying out foreign policy to alert and enlist the Latin American nations in a common cause to eliminate communism from the Western Hemisphere with all of its ugly and slave-encompassing intentions and actions.

I do not question that some attempt has been made to enlist nations of the Western Hemisphere in this effort, but I doubt that we have used every effective means at our command to bring this about. The time for platitudes and pussyfooting has long since passed. It now is the time for presenting of hard facts. It is time for determined action to bring about a cohesive and effective team effort. This action cannot wait.

Under our Constitution, Mr. Speaker, the carrying out of foreign policy is vested in the President. I am sure that whatever action he decides to take in this area will be wholeheartedly supported by the people and the Congress of the United States, for all of us are deeply concerned over what is transpiring today, but before the final decision is made we have a duty to express opinions and give what might be constructive suggestions.

With the advent of a Communist regime in Cuba, it became an ideological challenge; with the advent of Soviet military presence there, it became a military one. We are aware of this and the leaders of the Latin American nations must be exhorted to assist in meeting this challenge.

Americans are united today on three points. First, that the Soviet military presence in Cuba is undesirable; second, that Fidel Castro's government is undesirable, and third, that Cuba must be returned to the Cubans under a democratic, representative, free government. We believe in this and the leaders of the Latin American nations must believe it.

Mr. Speaker, the Cuban situation is a critical challenge to the United States of America. Our future, and the future of the entire Western Hemisphere is at stake. Our prestige throughout the world is at stake. A lack of prestige, as we all know, can have a disastrous effect in our dealings with all nations be they our friends, neutrals or those walking a tightrope on the decision they must

ultimately make—alignment with the free world or with the Communist world.

An indecisive United States of America will not present a pretty picture to the world. If we cannot achieve leadership in the Western Hemisphere, how can we, as a Nation, expect to continue our influence as a leader of nations in other parts of the world?

The existence of Cuba as a Communist nation, just 90 miles from our shores, and the presence of Russian military forces in the island is our challenge of today.

Yet, Mr. Speaker, we also have another challenge as relates to Cuba and I believe little or no attention has been paid to it. The decision on this challenge likewise cannot wait. The steps we may take, in conjunction with the Organization of American States, may well determine the future and development of a new Cuba when the Communists are driven from the Pearl of the Antilles.

It, of course, might be termed a long-range challenge. What is done now or not done now will provide the answer as to how we will meet it. If we sit idly by, the result, after the Communists are driven from the island, likely will be a floundering nation wracked by poverty and with no unified national aims. It would be a nation unable to achieve its rightful place as a strong and thriving member of the Western Hemisphere and the free world.

Therefore, it is worthwhile to think through briefly just what our goal is in Cuba, and think about some of the things that can be done now, so that when today's problems are solved, we will not find ourselves facing bewildering new ones tomorrow. Today's problems are how to get rid of the Soviets and Fidel Castro in Cuba. Tomorrow's will be how to deal with, guide and help with the construction of the new Cuba which must eventually emerge.

I think our long-range object, or goal, with regard to Cuba can be stated quite simply. It is the establishment of a successful, representative, honest government there with which we can deal on a mutually honorable basis. The Alliance for Progress distills the essence of what we hope for in our relations with our Latin American neighbors; we are sympathetic with their efforts to improve social and economic conditions. But the members of the Alliance recognize that self-help and mutual respect are necessary ingredients in that process.

Our problem is that there is no such government in Cuba with which we can deal and that we have taken no positive steps to insure that the post-Castro government will be of such a nature. Put another way, forming and running a representative, democratic government in Cuba, after Castro, is going to be a difficult proposition. Are there steps which we can take now which will help insure the success of such a new Cuban political regime? I believe there are—and I would like to discuss one today. It is the recognition by the United States of a Cuban National Council set up under the authority, protection and

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advice of the Organization of American States.

When a resolution was introduced in the Senate last September calling for the establishment of a government-in-exile there was a flurry of debate about the idea, certain objections were raised, and it was just beginning to crystallize when the October crisis lessened interest in it. Now, of course, recent outbreaks in the ranks of Cuban exiles living in the United States has revived talk of recognition of a government-in-exile if the various factions involved can find a way to live under one roof and act in a co-operative manner with those who are seeking to help them.

Today, I raise the issue again, but with a new approach. For it to be successful we must call upon the Organization of American States to cooperate with us fully and wholeheartedly. The stakes for the member nations of that organization are great and through leadership we must convince them of that.

It is time for the Organization of American States to take constructive steps to help bring together all factions so that a responsible leadership may be set up to meet the present crisis and the future of Cuba.

It is my belief that arguments raised so far in support of the idea for a government-in-exile fall short of the full potential which the recognition of such a government or a national council possesses. It is my hope that a broadening of the base of these arguments will raise enough discussion, and win over enough adherents to this idea for a national council, so that some action may be taken by the Congress which will be constructive in the light of our long-range goals in Cuba.

Let us leave to the international lawyers the question of whether such a government or council should be recognized as insurgent, belligerent, or as any other limited or conditional category of government. Let us assume that if we decide to take such a step that we can find the most advantageous way to do it in the eyes of the international community. Let us look beyond this to the reasons why we might want to recognize a Cuban national council.

It is my belief that it would accomplish the following:

First. Provide a rallying point for the Cuban refugees in the hemisphere.

Second. Provide a legal and effective instrument through which this and other governments could offer material and financial aid in the fight to regain Cuba's freedom.

Third. Provide a focal point of communication with the freedom-loving resistance fighters still carrying on inside of Cuba.

Fourth. Assure the Cuban people and the world that the United States is not accepting the Castro government as the permanent government of Cuba.

Fifth. Lay the basis of legal domestic support for the activities of the Cuban refugees. At present, our immigration and Coast Guard authorities must enforce strict curtailments on the activities of refugees who are trying in various ways to fight Castro.

Now, those who oppose recognition of a Cuban government-in-exile per se for various reasons have come up with certain arguments against the idea which deserve consideration and answer. In particular, the Department of State has put forward several reasons for not supporting such a move which I would like to examine at this time.

First, the State Department claims that it is their custom to recognize a government-in-exile only when it has direct contact with, or contains members of, the prior government of the territory in question. As, for example, was the case in World War II when many governments, or parts of them, fled their countries in the face of Nazi invasions—then, we could legitimately recognize a government-in-exile. In other words, the State Department claims that a government should constitute a government before being driven from its territory in order for us to recognize that it is in exile.

I suggest that the State Department examine its own files, and do a little homework on the diplomatic history of the United States. During World War I, the Czechoslovak National Council was formed for the purpose of waging a war of independence from the Austro-Hungarian Empire. Czechoslovakia was not even a separate State. The Council was formed right here in the United States, by means of the Cleveland Agreement of 1915 and the Pittsburgh Pact of 1918, which served to unify splintered exile groups. The United States recognized the Czechoslovak National Council as a de facto belligerent government on September 3, 1918, several weeks before the end of the war.

Also, during World War I a Polish National Committee was formed under the leadership of Paderewski, with the cooperation and aid of the Polish movement in Chicago. Poland had been under Russian occupation since 1863, and therefore was not even a free state, let alone self-governed. But on November 1, 1918, the United States recognized the Polish Army, under the Polish National Committee, as a co-belligerent. In neither of these cases did a government as such exist on the territory of the country involved which had any connection with the governments which we recognized.

During World War II a Polish government-in-exile was formed, following the Nazi occupation of Poland. But this was not the pre-Nazi government transplanted, for the Germans caught and detained most of the Polish leaders. This government, which the United States recognized, was composed of other Polish leaders.

The most famous example of a government-in-exile, which the State Department has apparently forgotten, is that of Gen. Charles de Gaulle during World War II. While we did not extend him recognition as "a government of France," we did recognize in August of 1943 that his French Committee of National Liberation was administering certain French overseas territories. Formal diplomatic relations were resumed after he formed a new French Government of

National Unity in 1944 in his newly liberated homeland.

Therefore, the arguments of the State Department that there is no precedent for such a recognition seem to me to be rather weak.

The second major argument against recognition of a government-in-exile given by the Department of State is that such a move might cause Castro to react by abrogating the Guantanamo Treaty, or refusing to accept any representation from us through the Swiss Embassy in Havana, so that we would lose contact with his government. This would mean that we could no longer exercise diplomatic means of defending the rights of U.S. citizens still in Cuba, or such Americans as those shipwrecked skindivers recently washed ashore in Cuba.

Now, again, this argument seems weak to me. It is a universally accepted principle of international law that treaties bind States. That is, the State of Cuba is what is bound by the Guantanamo Treaty. The government which happens to be representing that State at the moment is the government of Fidel Castro. We hold his government responsible for the obligations and duties of the Cuban State. Now it is another accepted principle of international law that rupture of diplomatic relations does not constitute withdrawal of recognition of the government concerned. We still recognize Castro as the government responsible for Cuba's international conduct. But the recognition of a Cuban government-in-exile, while it may anger Castro, would not constitute a negation of his responsibilities for the conduct of Cuban affairs. This is because his is already recognized by the whole world as the existing government of Cuba. The recognition of a government-in-exile for limited purposes, which would have to be specified in the recognition proclamation, would in no sense imply that we were holding anyone but Fidel Castro responsible for events in Cuba. Besides, let us be honest about this. It is not a treaty which keeps Castro from marching onto our base at Guantanamo. It is the Armed Forces of the United States.

As far as our representation in Havana is concerned, I think we have already lost contact with Castro, and no effective communication can occur between his government and ours, government-in-exile or no government-in-exile.

Mr. Speaker, the Department of State also gives as a reason for their reluctance to recognize a Cuban revolutionary government-in-exile the fact that the refugees are too splintered to form an effective unity. May I remind you that this was the case with the Czechoslovak exiles that Masaryk formed into a government in 1918; it was true of the Polish exiles that finally rallied around Paderewski during World War I; and it was true of the Free French, who were only unified after the most strenuous exertion of leadership on the part of Gen. Charles de Gaulle. It is precisely the promise of recognition that the Cuban refugees need to draw them together in a serious, responsible effort to be of service to the Republic of Cuba.

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CENTRAL INTELLIGENCE AGENCY OFFICIAL ROUTING SLIP					
TO	NAME AND ADDRESS		DATE		INITIALS
1	Mr. Elder 7D5617				W-SC
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ACTION		DIRECT REPLY		PREPARE REPLY	
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<p>Remarks: Attached are two items from the Congressional Record which Mr. Houston did not have occasion to mention at the 9:00 meeting.</p>					
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FROM: NAME, ADDRESS AND PHONE NO.				DATE	
Assistant Legislative Counsel				22 May	
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Finally, there are concerned observers of the Cuban situation who feel that the recognition of a Cuban government-in-exile would have an adverse reaction on the underground movement which stayed behind to fight Castro. Such recognition, some feel, would make it appear that the United States was favoring a group of refugees over the underground, and might install this exile group in power in Cuba once Castro fell. This is a serious problem, and must be treated forthrightly and with great care. I suggest that many of the problems could be solved in this move by eliminating the title "Government-in-Exile." Remember that in World War I we dealt with what was called the Czechoslovak National Council and the Polish National Committee. These groups were formed not to be imposed as governments in their captive territories, but to obtain the liberation of their homeland. We must not let the Cuban people think that we are going to preempt their right to elect their own government once they are freed of Communist domination.

It seems to me that one way to settle this problem would be to recognize the national council on the condition that they agree that once Castro is overthrown and they return to Cuba, that they will not exercise all the rights of a constitutional government, but rather will agree to serve in an administrative capacity under the supervision of the Organization of American States. At the end of an agreed interim period, free and open elections would be held. This is the kind of approach which I think we should discuss and have clearly understood prior to the recognition of any exile group.

Concerning the long-range benefits of recognition, I think that one of the most important would be that we need to be training people for us to work with in the post-Castro era in Cuba. The new Cuba will definitely be eligible for immediate aid under the Alliance for Progress, since we will certainly be committed to helping the Cubans wipe out the disastrous effects of Castro's economic policies. If we recognize a national council, they could set up a provisional ministry of economics to organize recovery planning for the post-Castro era, train economists and administrators, and perhaps even take part in a program which we could set up to familiarize them with the assistance available from AID, the Inter-American Development Bank, the Export-Import Bank, and so forth. We could do the same thing in public health, education, agriculture, and other fields of public administration. This would mean that in the immediate aftermath of the overthrow of Castro, a trained group of administrators would be available to the Cuban people, to utilize in the initial rebuilding task. In this way, the refugees would show their desire to contribute to the progressive construction of a new and free Cuba. Hopefully, many of these people would retain important government posts following free Cuban elec-

tions. The United States would find it convenient and easy to work with them through our foreign aid program, and there would be a high level of mutual understanding and respect.

I would like to close by saying that what I have attempted to do today is to open debate on the recognition of a Cuban national council on a responsible basis. I realize that some of the arguments I have mentioned are debatable, and that is precisely why they have been raised. Because I believe that, if the Congress seriously concerns itself with the pros and cons of this matter, that it will determine in a sound and sober way that there will be considerable advantages to the Cuban people, to the Cuban exiles, and to the United States, in the recognition of such national council. It is in the interest of contributing to such a determination that these thoughts are offered today to the Members of this distinguished body.

#### SAVE PUBLIC HOUSING

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. RYAN] is recognized for 15 minutes.

(Mr. RYAN of New York asked and was given permission to revise and extend his remarks.)

Mr. RYAN of New York. Mr. Speaker, the U.S. public housing program is about to come to a standstill. Within a few months the ceiling on annual contributions to public housing agencies will be reached. The Housing Act of 1937, as amended, imposes a limitation of \$336 million per year on Federal contributions to public housing agencies. In addition, no State may receive more than 15 percent of contributions authorized after July 1, 1961.

Today I have introduced legislation embodied in two bills to amend the Housing Act of 1937, as amended, to remove these two restrictions.

This legislation is desperately needed. By June 30 of this year New York State will have reached the 15-percent limitation and exhausted its quota of units available under the act. Unless the 15-percent restriction is removed, there will be no more federally assisted public housing in New York. And unless the \$336 million limitation upon annual contributions is removed, the quota of units for the entire country will be exhausted at about the same time.

The Housing Act of 1961 contemplated an additional 100,000 units of public housing. Contracts, reservations, and applications under consideration already exceed that figure.

Mr. Speaker, last September 1 marked the 25th anniversary of the signing of the Housing Act of 1937 by President Franklin D. Roosevelt. Public housing has played a crucial role in the fight against the social and economic evils of slums and has provided decent housing in a healthful environment for millions of our fellow citizens. The program must not be allowed to lapse in the face of unmet national needs.

In New York City the need for further

public housing is acute. Mayor Wagner, on February 8, 1963, in a speech before the National Association of Housing and Redevelopment Officers spelled out this need:

We still have slums in New York City. In fact, according to the 1960 census more than 500,000 housing units in New York City are deteriorating or in substandard condition. More than 276,000 such units are dilapidated or without essential plumbing facilities. Moreover, according to the 1960 census, and here is a key fact, 79 percent of all families now living in substandard quarters have incomes of less than \$5,000 per year \* \* \*. In summary, there are a minimum of 200,000 ill-housed low income families in New York City whose only prospect for improving their housing consists of low rent public housing.

The New York City Housing Authority estimates that New York City needs at a bare minimum 20,000 units a year for the next 10 years in order to meet the desperate shortage of low income housing. The State administration's policy has accentuated the city's shortage. The State does not favor low rent public housing in New York City. Out of \$60 million available to the State for public housing New York City received in 1962 approximately \$6 million. The State allocated about 10 percent of available State public housing funds to New York City.

Private builders will not construct low-rent housing. According to a recent study published by the Metropolitan Housing and Planning Council of Chicago, private builders are having no success in providing a decent home and a suitable living environment for low-income families. The council states:

The prices which home builders must charge for their product limits their market to an upper income group which cannot absorb more housing than is now being produced for its use. The purchase prices of new homes, as measured by dwellings insured by the Federal Housing Administration, have increased by 61 percent in the last 11 years, although the cost of living in general has increased by only 29 percent. The continued rise in mortgage interest rates in the last 7 years has increased the monthly payments of potential purchasers and renters, thus further limiting the market for new housing.

It is often said that a State or municipality should do something to help itself. I certainly agree. New York City has an active public housing program. New York City has a total of 138,053 low-rent public housing units. Of that total 50,631 are State aided and 27,702 are city aided. This means that almost 57 percent of the public housing units were built with State and local funds.

New York's housing needs are great. New York State is now trying to house 7 percent of the Nation's Negroes, 10 percent of the Nation's aged, and 22 percent of our foreign born. Some half million Negroes have migrated to New York from the South, more than to any other State, except California. There are now 350 people per square mile in New York as opposed to the national average of 50 per square mile. The States needing little public housing are usually low in density—Wyoming has but 3.4 people per square mile—while



those needing public housing are extremely concentrated like New York.

A survey of the 1960 census of housing shows that in New York City the number of sound housing units with all plumbing facilities increased significantly, but there was also a more significant increase in the number of deteriorating, dilapidated, or substandard units. In 1950 less than 15 percent of all units fell in this category. By 1960 more than 20 percent did.

Mr. Speaker, unless the present limitations on annual contributions are removed, we will witness the demise of the public housing program in a very short time. It is ironical that 1962 marked the 25th anniversary of public housing—and 1963, 1 year later, may mark its doom.

During these 25 years the low-rent program has provided housing for approximately 7 million persons. Today about 2 million persons are living in the more than 525,000 homes produced under the program. More than half of them are minors. Nearly half of the presently scheduled homes are to be designed especially for use by elderly persons.

Every State in the Union, with the exception of four, has participated in the public housing program. Among the leading recipients of the benefits are Alabama and Georgia, California and Texas, New Jersey and Pennsylvania, Ohio, Illinois, Massachusetts, Louisiana, and my own State of New York. No section of the country has failed to take part in the program.

The progress report on Federal housing programs, issued by HHFA in August 1962, gave the following comprehensive picture of the status of the public housing program since the Housing Act of 1961 made it possible to commit the full \$336 million in annual contributions:

Since enactment of the 1961 act, 117 new municipal housing authorities have been created and 17 county housing authorities. The municipal authorities are located as follows: 47 in rural places; 44 in communities of under 10,000 inhabitants; 21 in communities with between 10,000 and 49,000; 4 in 50,000 to 99,000 category; and 1 in a city of 126,000.

At the time of the progress report of 1962, 35,000 units had been put under program reservation; that figure has now risen to 58,000. The 1962 report listed 23,199 units under annual contribution contracts; we now have 32,000 in this category. In other words, 90,000 units out of a contemplated 100,000 units have already been committed. Thousands of applications for projects are backlogged at FHA, which will never be granted if the limitations on the public housing program are not removed.

We cannot even be sure that 10,000 more units will result from the uncommitted balance. The estimate that 100,000 units could be built under the Housing Act of 1961 was based on 1960 construction costs which were indexed at 103.9—1957-59=100—for residences and 108.3 for apartments. The latest Commerce Department figures show residences now stand at 108.3 and apartments at 108.8. This represents an all

time high in both categories, and there is every reason to believe that this upward trend in construction costs will continue in 1963. It is clear that public housing may not even reach its hoped for expansion of 100,000 units before the present authorization is exhausted.

Mr. Speaker, I ask that Congress provide the legislation necessary to continue this important program. Otherwise, there will be no more low-income housing forthcoming. Public housing has served about 7 million families and stimulated \$6.3 billion in dwelling construction and is now in the process of implementing progressive new programs that will have far-reaching effects. After 25 years of comparative success in meeting some of the most urgent needs of our Nation, it now faces impending oblivion. We cannot allow this program to lapse, particularly not in our largest city which faces our largest housing problems. We cannot allow thousands of families to go unhouseed.

We must recognize the emergency and act now.

#### THE PHILIPPINES CLAIMS AFFAIR

The SPEAKER pro tempore (Mr. LIBONATI). Under previous order of the House, the gentleman from Ohio [Mr. VANIK] is recognized for 15 minutes.

Mr. VANIK. Mr. Speaker, the recent Senate Foreign Relations Committee disclosure of \$150,000 in fees to a Philippine sugar and war claims lobbyist for his work in obtaining congressional approval of the \$73 million Philippine war claims bill was one of the most shocking cases on record of improper interference with the legislative process. The further disclosure of the political contributions made by this lobbyist during congressional consideration of this legislation adds fury to the fume.

On May 9, 1962, the House voted down the \$73 million Philippine claims bill after an extensive public debate. During the course of the discussion on the legislation, it was apparent that some opposition to the bill was generated by some Members of Congress from tobacco growing States who resented an embargo on a shipment of American tobacco to the Philippines.

I was among those Members of this body who opposed the legislation because of instinctive fear that the \$73 million payment would end up in the pockets of persons who had purchased the claims or to whom the claims had been assigned for a fraction of original value. The bill simply did not look right. There are many occasions in which the legislator with limited access to facts and under the pressure of business simply opposes legislation which does not seem right.

Immediately after this legislation was rejected, newspapers all over the country bombarded this body for its dereliction of responsibility to our Philippine friends. The following are examples of the editorial barrage to which Congressmen were exposed who dared to question the Philippine payment bill:

[From the San Francisco Examiner, May 16, 1962]

#### UNFRIENDLY MOVE

Congressional action in disapproving war damage claims by the Philippines just doesn't make sense.

The Philippines are our firm ally in Asia; our bonds are tempered in tradition and battle.

In a surprise move, the House of Representatives has turned down—201 to 171—a bill to pay the Philippines \$73 million. The funds would have completed our payments on claims arising from World War II combat between American and Japanese forces.

On the other hand, torrents of dollars are flowing to alleged neutrals and other nations of dubious attitudes toward the United States.

In the Philippines, the reaction is bitter. Vice President Emmanuel Palaez rightly comments that "it seems the United States treats her friends more shabbily than those who are not with her."

President Kennedy has expressed regret over the House action even before President Diosdado Macapagal canceled his visit to the United States next month.

We are happy to note that there is a move afoot in Congress to reintroduce the payment bill at this session. We urge all Representatives and Senators to heal this rift between friends.

[From the San Francisco Chronicle, May 15, 1962]

#### CONGRESS SLAPS A VALUED ALLY

Congress, through stupidity, ignorance, or both, has welched on a promised \$73 million war damage payment to the Philippines—alienating a highly valued ally at a time of dangerous crisis in nearby Laos.

Philippine President Diosdado Macapagal, who was elected on a strong pro-American platform, has postponed indefinitely his scheduled June 19 good will trip to Washington, explaining: "Our people would never understand how, under the circumstances, I could go to the United States and dwell on the subject of good will. At this present moment, the word will sound empty."

The war-damage bill, rejected 201 to 171 by the House of Representatives, would have fulfilled a 10-year-old promise to repay \$6,000 Filipino claimants for losses suffered in World War II. American as well as Japanese shells and bombs wiped out many a Philippine business and farm. Payment had been pledged by an earlier act of Congress itself.

This rejection was "due to lack of understanding," a cosponsor of the payment bill explained charitably. Some uninformed opponents called it a handout.

President Kennedy, terming the rejection "a gross misunderstanding," promised to fight for quick action to rectify the blunder. The payment—trivial by comparison with U.S. foreign aid to many a less friendly nation—is a moral obligation that must be met, he said.

A second effort to honor this obligation will begin in Congress this week, and a score of Congressmen who opposed the payment are reportedly ready to change their votes. We hope so, from strategic as well as moral considerations.

With Communist offensives taking over more and more of southeast Asia, the Philippines has, until now, been a reassuringly solid foe of that Red expansion. We suggest that Congressmen stop shooting down one of the few allies the United States has left in that hot war area of the uneasy world.

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## CONGRESSIONAL RECORD — SENATE

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a distinct minority, we Republicans have an extra burden in adequately covering our committee assignments. If we find it difficult for an individual Senator to do his homework in comparison to a Congressman, how much more difficult is it for a Republican Senator to do his job properly, covering more area per man, with less staff, than his Democratic colleagues. Deprived of competent, adequate professional staff, and in such a statistical minority, we cannot begin to match the resources of the bureaucracy downtown, or of a much better staffed Democratic majority on the Hill.

The minority in the Senate is also faced by a geographical imbalance. We have lost key seats in the North and West and we are just beginning to see the emergence of a genuine two-party system in the South. Many of these States have Republican Governors and/or Congressmen. If we, the Republican Party in the Senate, are to give adequate representation to Republicans in these areas, we need more staff. If we are to study such crucial problems as conservation, water resources, and reclamation we need staff authorized to make field trips and carry out investigations to fill in the broad gaps of our knowledge. The ideal of good government requires that we be a national party with a national vision serving the national interest, not a regional party hamstrung by a glaringly deficient number of minority staff assistants.

We of the minority are greatly concerned because the means of offering constructive alternatives, through adequate help in researching policy problems, is presently unavailable to us. Many of us have supported Republican initiative on a number of fronts, including for example, the fields of employment, worker retraining, and civil rights. But, without adequate staff, good ideas die for lack of public airing. In our system of government, we cannot rely on one party, the majority party, to produce all the ideas. By the very nature of politics, there are areas of public policy where the party in power cannot or will not act. The minority party must prod the majority party into action. It must nurse the neglected orphans of majority politics.

The most glaring example of majority party paralysis is civil rights, but on every issue there will be some facets the majority will ignore or deemphasize in terms of its own party interests. This is simply politics, and this is the reason the minority must be in a position to think out and develop its own position on every major public issue. It must have the resources to provide a real competition of ideas in the political marketplace. It should have a staff to read and study the CONGRESSIONAL RECORD, the latest books and magazines, professional journals, and learned papers; to monitor news broadcasts and analyses, to channel ideas to appropriate party spokesmen; to think out what should be the role of the minority in each particular area of policy.

Where possible, minority staffs should be available to all the members of the minority, not just to the actual membership of a particular committee. Where a member has a particular interest, say in foreign policy, agriculture, public works, or economic policy, he should be able to tap the expertise of minority staff familiar with that area. When staffing is kept to a bare minimum, this kind of cooperation in pooled resources among the minority is not possible.

Apart from proposing new programs or alternatives to the administration's proposals, much of the hard work of legislation and oversight rests in the sifting, evaluation, and reassessment of old programs.

## NEEDED: OVERALL ANALYSIS

Too often in our budgeting and program development, we start with last year's base

and merely weigh the proposed additions. We should be examining the historical basis of proposals as well, including support, where warranted, of existing programs which are serving their purpose, or the elimination or pruning of existing programs no longer useful as presently operated. Government is, or should be, a dynamic business, responsive to the genuine needs of the citizenry. Yet without the prodding and questioning of the Republican minority, who have no vested interest in the growth of the bureaucracy, these new empires of agency personnel may become frozen into the structure of Government. Obviously, effective oversight and investigation of the administration's programs require adequate minority staffing.

An ambitious and attractive President can exploit the national media far more effectively than a numerical minority of individuals in Congress. If the minority is to cope effectively with its responsibility as to programs presented by the President and the majority, it must have resources to document its arguments. The real results of minority effort either in the form of constructive alternatives or sound criticism of administration policies, come in the committee reports, the speeches prepared by minority spokesmen, the amendments offered on the floor, and in other similar forms.

It is doubly important that the minority have these resources, for the editors and newsmen who control the news media of our country will tend to judge the minority and its actions by what it reads of their reactions on the wire services and receives from its own services. Mailings of minority views by the Republicans on the Joint Economic Committee, including my former colleague, Senator Prescott Bush, Representative Curtis of Missouri, and others, have been well received. The House Republican policy committee's release of the report of its task force on Operation Employment last year is an excellent example of what needs to be done much more often. The response to the press to this sort of thing has been encouraging, but it needs to be done on a regular, systematic basis. It is disturbing to me that many minority reports are never written, filed, or distributed for one basic reason: lack of adequate staffs.

The minority member needs information from sources other than the administrative departments and the majority controlled staffs. While it may be going too far to suggest that these sources are captive, it is not unreasonable to expect some will not go out of their way to volunteer information inimical or embarrassing to the policy objectives of the President and the majority party.

This need for independent information is particularly crucial in the field of foreign policy. There are policies concerning trouble spots in the world that need searching review and responsible constructive criticism from the minority. The strong pro-Arab bias in our Near East policy, and the troika experiment in Laos are two problems of deep personal interest to me. Yet, without the inclusion of minority staff members in connection with foreign policy surveys in Washington and abroad, the minority must depend on secondary and not always explicit sources for these policy reviews.

These arguments have all dealt with the more general problem of increasing the effectiveness of the minority in congressional government. They are set forth within the context of a need for greater congressional staffing regardless of majority and minority roles. We may disagree as to the exact form staffing arrangements should take, but we should all agree that good government suffers when the minority is deprived of the means to (1) develop constructive alternatives, (2) offer sound criticism and evaluation, (3) document and communicate its views, and (4) check information supplied

by the majority against impartial sources. The fact that these minimal minority rights have not been achieved is by itself the most serious and disturbing aspect of the entire problem. It has serious implications for the future of our two-party system.

Our system of government was founded on the unwritten understanding that the party in power will not attempt to exterminate the party in opposition; that the ins and outs can exchange roles periodically; that the majority may press its advantage, but still will respect the integrity of the minority.

The majority is not playing by the rules of the game, and if the American people knew the full facts of the story, their sense of justice and fairplay would cry out against the shame of a loaded legislative procedure. Would they endorse a ratio of 14 or 12 to 1 between majority and minority staffs? Would they approve a system that places virtually complete control of congressional committee staffs under the majority chairmen? The chairman empowered to hire and fire, set salaries, and determine tenure? Would they condone the limitations placed upon the minority in terms of office space, travel, telephone calls, secretarial services, and other essentials to the mechanics of adequate staffing? Would they affirm the policy of some committee chairmen not permitting minority staff to question witnesses? Would they justify the power of a majority chairman to select witnesses to arrive at prearranged conclusions? Would they applaud the inaction of some of the minority who would rather keep the personal perquisites they have than risk losing them by rocking the majority boat too hard? I hardly think so. This is not a partisan issue. This is not a division between liberals and conservatives. It is a contest between those who are dedicated to achieving effective congressional government, and those who are complacently content with the inequities that breed inefficient committee work and detract from the power and prestige of the Congress. It is a cause that includes in its ranks representatives of business and labor, civic action groups, the individual voter—all those who are dedicated to good government above petty political gain.

Why then have we not corrected the wrongs? Why are the loaded dice still in play? No one can be against good government—or can they?

## THE CUBAN QUARANTINE

Mr. LAUSCHE. Mr. President, I wish to make a statement in regard to the Cuban quarantine.

The question may be asked, What is the ultimate purpose of the Organization of American States?

What are its responsibilities? To what extent has it thus far been fulfilling them?

These are important questions which require from the members of the Organization positive answers insuring a course of conduct which will prevent a communization of nations in Central and South America and a continuation of the Castro Communist government in Cuba.

I am in complete agreement with the statements, made by the Senator from Montana [Mr. MANSFIELD], calling for a hemispheric quarantine of Cuba by the United States and other members of the Organization of American States.

This Organization has not been sponsored and approved by the citizens of the United States solely for the purpose of drawing upon their financial and moral support, without expectation that the

members will follow a course of conduct which will insure Western Hemisphere solidarity opposed to communism and supporting governments pledged to democracy. Short of invasion, the least the Organization of American States can do is emphatically support the position it took, 6 months ago, for a complete quarantine against Cuba by the members of OAS.

Moreover, I am in agreement with the Senator from Montana [Mr. MANSFIELD] that the economic sanctions which the nations of the Western Hemisphere imposed upon the Dominican Republic in 1960, when Dictator Rafael Trujillo was in power, constitute a positive precedent and justification for the imposition of similar sanctions against Castro.

The position of Communist Castro in Cuba is weak. Poverty, squalor, disease, lack of medicine, lack of food, and lack of spiritual and intellectual liberty hang heavily over the people and have caused them to pray for emancipation and weep over the state of their native Cuba. Yet, there are in the Western Hemisphere nations leaders of government knowing that what is happening in Cuba is vicious and wrong, but because of political expediency do not dare to proclaim to the world their condemnation of the injustices—political, economic, and social—that now prevail in Cuba.

The people of the United States are prepared to give economic aid to our neighbors in Central and South America providing there is a purpose on the part of the governments of these nations to genuinely participate in combating communism unequivocally and fully wherever it exists.

The people of the United States, on the basis of self-respect and the preservation of their system of government, will not and should not be giving aid to either Central or South American nations which are unwilling to assume in the fullest degree their responsibilities for the elimination of Communists and the preservation of democratic governments throughout the world.

Since last October 22, the position of Castro has been markedly strengthened. With the advances made by Communist Castro, the position of our associates in the Organization of American States and the position of the United States has been weakened. The least that we can do at present, if the Organization of American States means anything at all, is to impose upon Communist Cuba a relentless and unyielding quarantine similar to the one which the Organization of American States imposed upon the government of Rafael Trujillo in the Dominican Republic. The request that this be done cannot be escaped by the members of the Organization of American States except by adopting arguments that cannot be supported by principle and truth.

#### OUR AFFLUENT UNCLE SAM

Mr. LAUSCHE. Mr. President, I desire to state that a few days ago there came to my office a letter the contents of which struck me with great force. I am sure that the letter, which comes from W. E. Munn of Toledo, Ohio, will be in-

teresting to those who will hear me read it. He writes as follows:

THE RANSOM & RANDOLPH CO.,  
Toledo, Ohio, April 12, 1963.

Hon. FRANK LAUSCHE,  
Senate Office Building,  
Washington, D.C.

DEAR SENATOR LAUSCHE: I hate to tell you my troubles, but I have tried everything else I know. I feel that only you can help me now.

I have a dependent relative staying with me who has very little fiscal responsibility. He is very good natured and means well, but he keeps buying presents for my wife and me, and our three children. He charges these presents to my account. When he sees something that he thinks we need he buys it for us. Many of these things are not needed by us and in very few cases are they what we would have bought if we had bought these things ourselves. Because he doesn't work for a living, money doesn't mean too much to him and he tends to buy the first thing he sees and he doesn't shop around like I would do if I were purchasing items. He is also quite generous to the poor and needy, but often gives to those he doesn't know who feed him a soft line.

I just received a bill for his last spending spree and it gives me a sick, hopeless feeling. I keep thinking how much better off I would be if I could just spend that money for the things I want and could give to the people and charities I think are needy. Honestly, he does so much of my spending that I tend to give less money to charity.

He won't listen to me, but he will listen to you because he respects you. Please use your influence to cut the spending habits of my Uncle Sam.

Sincerely,

W. E. MUNN.

I sent an answer to Mr. Munn, which I should like to read.

THE VICE PRESIDENT. The time of the Senator has expired.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator may have an additional 3 minutes.

THE VICE PRESIDENT. Without objection, it is so ordered.

Mr. LAUSCHE. I replied as follows to Mr. Munn:

APRIL 24, 1963.

Mr. W. E. MUNN,  
President, the Ransom & Randolph Co.,  
Toledo, Ohio

DEAR MR. MUNN: I am pleased to receive your letter of April 12 describing your deep concern over some of the actions of your dear "Uncle," who seems to have a mania for spending more and more; buying things that are unnecessary at this time, resulting in plunging you further and further into debt.

I deeply share your concern over the ultimate outcome of his thriftless ways unless they are curtailed and brought into balance commensurate with his income. I have talked to him upon many occasions about his overspending and have warned that he should mend his ways. He has always been courteous to me and listened, but I fear that he is being influenced by a few "nephews" who urge him to spend more and buy items and services that could well be delayed until his bank account is in better shape.

I know that "Uncle" likes to bestow gifts upon his "nephews and nieces," and I commend him for his spirit of generosity; but, in my opinion, he is overdoing it. I told him that he ought not to build the \$10 million aquarium here in Washington now and also that he has no business sticking his nose into the multi-billion-dollar mass transportation problem.

I know that "Uncle" has been, upon occasion, rather liberal in the use of his credit

cards. He ought to realize that while these cards have a gold backing, when he opens so many new charge accounts, he runs the risks that there may not be enough gold to guarantee his existing debts which could easily ruin his credit rating.

It appears that "Uncle" has forgotten the days when he, too, was young and had to be thrifty. What he needs right now is not a spring tonic or pep pills, but some old-fashioned discipline and a liberal dose of puritanical prudence.

I will continue to do my best to impress upon our "Uncle Sam" that he should live within his means.

Sincerely yours,

FRANK J. LAUSCHE.

#### COPYRIGHT PROTECTION—TRIBUTE TO GEORGE MIDDLETON

Mr. MORSE. Mr. President, I hold in my hand an article which is a reprint from the Bulletin of the Copyright Society of the United States entitled "Rights and Royalties of Foreign Authors and Composers in Wartime," written by a distinguished American, George Middleton.

This article details, for the first time, the overall record of a unique and little publicized copyright program, which the Government set up when the recent war broke. It initially took over and administered the copyright interests and royalties of all enemy authors and composers who then had existing contracts with American publishers. In addition, similar prewar agreements with the French and nationals of occupied countries were also vested under technical "protective custody." Their royalties were thus carefully safeguarded, and all moneys as and when due, were thus kept from falling even indirectly into enemy hands in Europe. These have now nearly all been returned to their original owners, with their values enhanced. But sums received from enemy properties have been credited to the war claims fund, to compensate for American losses at enemy hands. Enemy properties, not under prewar contracts, were vested and licensed profitably to both Government and American nationals who desired to exploit the material. In all, over \$6 million was collected.

As I said, the author of this article is a distinguished American whom I have known for many years. In fact, when I was really still a boy I became acquainted with this great American. He happens to be the husband of Fola LaFollette. He is one of the distinguished men of Wisconsin. He has been an adviser of mine on many matters, as we have fought for the great causes for which the elder Bob LaFollette fought.

Before I conclude I shall ask unanimous consent to have the article printed in the Record.

Mr. President, George Middleton has been the author or coauthor of 30 plays professionally produced in this country, in Paris, and in London, where his "Polly With a Past," as well as "Adam and Eva," were also presented. Among the distinguished stars appearing in his plays were Julia Marlowe—who did his first play in New York soon after he was graduated from Columbia—E. H. Sothern, Margaret Anglin, Eva Le Gallienne,



great statesman or a hero in any war, but by being active in local organizations; especially those that are centered around education and children, I could fulfill my duties as a citizen.

The children of today will be the leaders of tomorrow, so they must be coached and taught and finally molded into good citizens.

The PTA, local youth organizations, church clubs, and social work would be a means of reaching our children. Through these organizations, I could help spread a little patriotism. It seems that there is too little of that today. We have all taken our freedom and our democratic way of life for granted. It is time we did some serious thinking about our great country.

We must not stop there. Conservation, keeping our country clean and beautiful, fighting communism, obscenity, and delinquency are of great importance.

We must educate the illiterate, for knowledge is the foundation of a solid government.

We must give help to our senior citizens, because they are the backbone of our country.

If I ever traveled abroad, I would take my manners with me and help erase the image of the ugly American, for American prestige throughout the world is of great value.

We must prove to all Americans and to the world that our country is the greatest of all countries.

I cannot do all of this alone, but with the help of every American, it can be done. It may take a long time, but when all our hopes are fulfilled, it will be a job well done, and the reward will be great.

When this happens, I shall feel that I had a part in this movement by being a good citizen.

I think that President Kennedy summed it up perfectly when he said, "Ask not what your country can do for you—ask what you can do for your country."

#### A BILL "TO PROVIDE THAT MEMBERSHIP BY NATIONAL BANKS IN THE FEDERAL RESERVE SYSTEM SHALL BE VOLUNTARY, AND FOR OTHER PURPOSES"

(Mr. ST GERMAIN (at the request of Mr. ALBERT) was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. ST GERMAIN. Mr. Speaker, this bill would accord to national banks the option of joining and maintaining or refraining from membership in the Federal Reserve System—a privilege which is now enjoyed only by State-chartered banks and trust companies.

The fourth and fifth sections of the proposed bill would provide that national banks may join the Federal Reserve System, changing from the imperative. Also, the penalty provisions invoked upon failure of a national bank to join the System are eliminated in the sixth section. The eighth section of the bill would permit national banks as well as State banks and trust companies to withdraw from the Federal Reserve System if they desire to do so. The ninth section would provide for reserve requirements for non-member national banks. The 11th section would provide that the Comptroller of the Currency would regulate interest rates on time and savings accounts for nonmember national banks.

Optional membership for national banks in the Federal Reserve System may be supported, both on grounds of

equity, and on grounds of fundamental policy. Considerations of equity arise because all banks do not benefit equally from membership in the System. There are few advantages to be derived from such membership by smaller banks. These banks generally find the check-clearing and borrowing facilities of the System less convenient than those available from their correspondent banks. To procure these correspondent services, they are required to maintain balances with those banks. As a consequence, if they are members of the System they must maintain two sets of idle balances—with the Federal Reserve, and with their correspondent bank. The advantages of optional membership are evident from the fact that the great majority of the smaller State-chartered banks have not chosen to become members of the System. National banks, which do not have this choice, are thus placed at a competitive disadvantage in terms of their operating costs, and hence their capacity to meet the terms of their rival State-chartered banks.

The fundamental policy considerations relate to the need for mandatory membership in the Federal Reserve System as a means of assuring effective monetary controls. It is doubtful that optional membership in the Federal Reserve System would impair monetary control powers significantly. Most of the larger banks of the country would undoubtedly choose to retain their membership in the System, both for reasons of traditions and prestige, and because they are able to utilize the facilities of the System more readily. This is clear from the fact that only a handful of the larger State-chartered banks have failed to seek membership in the System.

There is a possible alternate course for dealing with the problems both of equity and of effective monetary controls. This would be to require mandatory membership in the Federal Reserve System for all commercial banks or at least for all insured commercial banks. This course would not, however, fully meet the problem of equity. Most of the smaller banks would nevertheless find it necessary to maintain their correspondent relationships at the expense of additional idle balances. Moreover, since the reserve requirements imposed under State law are less onerous than those which apply to member banks, mandatory membership would represent a severe added burden to banks which are not now members of the System. For this reason, any proposal to make membership in the Federal Reserve System mandatory for all banks would necessitate a revision of reserve-requirements policy.

While a case may be made either for mandatory or voluntary membership in the Federal Reserve System for all commercial banks, there is no justification for discriminating against national banks in this respect. The original purpose of the provision in the Federal Reserve Act requiring all national banks to become members of the System was to insure a sound starting point for the new Federal Reserve System. If membership had been made optional for all it might have been years before the System became es-

tablished as banks joined one by one. On the other hand, serious constitutional questions might have arisen in the face of a provision requiring all State banks to become members of a Federal instrumentality. Consequently, all national banks became mandatory members of the new System and State banks were given the option of joining or remaining without the System. The time has come to redress this inequity that was necessary in 1913, the purpose of which has long since become invalid. The Federal Reserve System today is strong and sound so the national banks which are subject to all laws affecting their State competitors should be accorded equal treatment in this important matter. Whatever may have been the need for such discrimination at the time the Federal Reserve System was founded it is no longer required and cannot be supported.

#### WE MUST NOT LOSE SIGHT OF CUBA

(Mr. ROGERS of Florida (at the request of Mr. ALBERT) was given permission to extend his remarks at this point in the Record.)

Mr. ROGERS of Florida. Mr. Speaker, although the United States must maintain close watch on the developing situation in southeast Asia, the United States must not be diverted from the No. 1 problem affecting this hemisphere—namely Communist Cuba.

Mr. Speaker, with Under Secretary of State W. Averell Harriman en route to Moscow today to confer with the Kremlin on the southeast Asian situation, I am hopeful that the distinguished Under Secretary will also impress the Soviets with the continued firm determination of the United States to halt the march of communism in this hemisphere.

The renewed Communist activities in Asia signal a change in Sino-Soviet relations with the West. The past has shown us that the Communists cannot be trusted. The future depends on U.S. initiative.

I urge that the United States act to control communism in this hemisphere, and not be deceived into responding to the actions of the Communists in other parts of the globe.

#### A BILL TO CREATE A FEDERAL BANKING COMMISSION

(Mr. MULTER (at the request of Mr. ALBERT) was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. MULTER. Mr. Speaker, I have today introduced H.R. 5874, to create a Federal Banking Commission.

This is a revision of H.R. 4253 which was introduced by me on February 26, 1963. The revision was necessary to make technical corrections of statutory citations and to correct grammatical errors. In a bill of this size and complexity, it was too much to hope that a first draft would be without such errors.

The Subcommittee of the Banking and Currency Committee of which I have the honor to be chairman will hold hearings on the Banking Commission bill and on H.R. 729, the proposed Federal De-

posit and Savings Insurance Board Act, on May 7, 8, 9, 10 and on May 13, 14, and 15.

# STATEMENT IN SUPPORT OF H.R. 710, TO AMEND THE BANKRUPTCY ACT

(Mr. MULTER (at the request of Mr. ALBERT) was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. MULTER. Mr. Speaker, the following is my testimony before Subcommittee 4 of the Judiciary Committee in support of my bill H.R. 710:

Mr. Chairman and members of the committee, I appreciate this opportunity to appear before you and make a brief statement in support of H.R. 710 which I introduced on January 9, 1963.

I have introduced several bills over the past 15 years to amend the Bankruptcy Act with respect to the provision for priority of debts owed by a bankrupt for wages and commissions. The provisions contained in the present law are inadequate and outmoded.

The bill which is now before you does not alter the time limit of 3 months on earnings which are given priority. It proposes primarily to increase the dollar limitation on wages entitled to priority payment from \$600 to \$1,000.

I have also proposed to insert the word "salaries" after the word "wages." We know that these words are now often used almost interchangeably. When the original bill was enacted into law, in 1898, the term wages was applied more generally to all paid employees. In more recent times the term salary has been given the connotation of those employees paid on a weekly, biweekly, monthly or some other similar basis and the term wages has been applied to those paid on an hourly basis. This portion of the amendment is recommended to update the terminology of the law.

I have further proposed that the term "or became payable" be inserted in clause (2). The original act did not cover salesmen in its provisions for priority payment of wages. However, the act was amended in 1906 to include salesmen having a priority to claims for commissions earned along with other wage earners.

Since that time there has been a great change in the mercantile and selling process. The expansion of credit has given rise to installment buying. This trend increases annually. We generally think of installment buying in the field of consumer goods only, but there exists much of it and in many varied forms among business companies. This increased use of installment selling has changed the role of the salesman.

Many modern salesmen do not receive their commissions at time of sales, rather they are often related to payments for the goods sold. Thus these salesmen become creditors having a claim to a percentage of the receipts of the company even though the sales may have been made a year before. In such a case we might consider that a salesman earns his commission in two stages, one part is the selling of the product and the second part is contingent upon receipt of payment for the product. As the installment payments spread a salesman's commission over a long period, we should consider that any commissions becoming payable in the 3-month interim before bankruptcy action is a valid claim for earnings of that period even though the sale may have been made many months prior thereto.

In the Bankruptcy Act there are several types of debts that have priority and must be

paid out of the bankrupt estate before dividends can be paid to the general creditors. All of these debts having priority of payment must be paid in full except one—the claims for wages and commissions which are limited to \$600 per claimant. The \$600 limitation was established in the 1920 amendment to this act.

I am sure that all of us will agree that one of the prime values of any law rests in its applicability to the current times. Can we consider a limitation of \$600 on priority claims for wages of employees established in 1926 to be realistic or equitable in 1963?

The present Bankruptcy Act was established by Congress in 1898 and a limitation of \$300 was placed on individual employee claims entitled to priority payment. In 1926 this figure was doubled—there has been no change in the dollar limitation since.

On February 18, 1898, Representative Sulzer speaking in support of the bankruptcy bill on the House floor praised "the provision that gives a preference to and carefully safeguards the wages of employees and the rights of the producers and wage earners of the country. Under the provisions of this bill these worthy people are absolutely protected in every respect and every safeguard is thrown around their rights to protect their wages and earnings."

Here Mr. Sulzer was speaking of the \$300 limitation which would adequately cover the earnings of most employees for a 3-month period. Actually this amount would exceed most employees earnings at that time.

The \$300 limitation of 1898 would cover the earnings of the average manufacturing employee's wages for 1,470 hours of work; whereas the present \$600 limitation would cover only 261 hours of the average manufacturing employee's wages.

Even though Congress doubled the dollar limitation from \$300 to \$600 in 1926 this was even then inadequate when compared to the 1898 relative position of earnings and cost of living. During this interim the Consumer Price Index increased 138 percent and the hourly wage rate of manufacturing employees increased 217 percent.

For 37 years we have allowed this inequity to grow larger and larger. Let us take a look at some of the changes since 1926. The Consumer Price Index has increased 72 percent and the hourly wages of manufacturing employees have increased 269 percent. Thus starting with an inequity in 1926 we have made no provisions to update the law and provide safeguards for the rights of employees in bankruptcy cases.

I would be among the first to admit that the \$1,000 limitation proposed is neither adequate, proper, nor equitable; however, I do feel that this is a step in the right direction and is definitely a great improvement over our present woefully inadequate \$600 limitation. To leave this archaic discrimination against employees and salesmen in effect would be injurious to a worthy and honorable element of our society.

We saw a reduction in the number of failures from 17,075 in 1961 to 15,782 in 1962; however, there was a rise in the dollar volume of liabilities. These failures represent many honest employees who were not properly protected. By leaving the present limitation in effect we are encouraging employees to leave their employers if they discern that bankruptcy is probable. The loss of a few key employees at such a time would almost assure bankruptcy. Yet how can anyone expect employees to continue to work when there are inadequate provisions for their protection in case of bankruptcy? Thus, we may through our own inaction increase the number of bankruptcies in the country.

Again I urge that Congress take action to improve the safeguards of employers in bankrupt cases. From 1898 to present our Consumer Price Index has increased by more

than four times and the average hourly wages of manufacturing employees have increased almost 12 times. However, we have only doubled the dollar limitation of employees' priority to claims for wages and that was 37 years ago.

The \$300 limitation established in the original act would have covered 1,470 hours of work for the average manufacturing employee, today even increasing the limitation to \$1,000 we will be covering only approximately 418 hours of work for the average manufacturing employee. Thus we can easily see how outdated this provision of the act is, and how essential it is for the Congress to take action to bring it more in accord with the realities of today.

I urge that H.R. 710 therefore be approved by this committee so that its enactment can be achieved this year.

Thank you for your permitting me to submit my views to you.

## WASHINGTON CRIME

(Mr. WILLIAMS (at the request of Mr. ALBERT) was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. WILLIAMS. Mr. Speaker, on Monday, April 15, more than 12,000 Negroes visited Glen Echo Amusement Park which is situated in Montgomery County, Md., only a few miles from the District line. From all reports, it would appear that the vast majority of these Glen Echo visitors were children of school age from Washington.

I am informed that the Monday following Easter is a school holiday for the Washington public schools. Nearly every year, roaming gangs of Negroes create serious disturbances in Washington or its environs on Easter Monday.

Although a dangerous and explosive situation developed at Glen Echo and several felonies were committed, the Washington Post got around to reporting these felonies on April 24 and referred to them as "minor disturbances."

The Montgomery County Police Department lists the following violations of law which occurred at Glen Echo on April 15:

1. A visiting student from New York State reported the theft of her wallet and cash, and advised she suspected numerous colored people, who were surrounding her while she was waiting to get on a ride.
2. A busdriver for the D.C. Transit Co. reports the loss of \$30 while operating his bus on Massachusetts Avenue near Goldsboro Road. This theft is alleged to have been committed by three colored males, who fled the bus when he stopped at a stop sign at the above mentioned location.
3. The Glen Echo Park Co. reports one of their pinball machines, located in Sport Land, was forcibly entered by a large group of colored males.
4. The B. & B. Catering Co., operator of a refreshment stand in the park, reported the larceny, in excess of \$100, of funds from the cash register by three to five unknown colored males.
5. A lady's wallet was found discarded in the ladies' lavatory of the Park Co.
6. A teenager reported the theft of his wallet from his rear pants pocket, while standing in a line at the roller coaster. He advised he was surrounded by colored persons at the time this theft occurred. His wallet contained \$8.
7. We also have knowledge of the Burns Detective Agency people handling approxi-